

service, discharge from hospitalization, or other similar event making the individual eligible to seek restoration or reemployment under 38 U.S.C. chapter 43 occurs on or after August 2, 1990.

(d) *Leave-without-pay* means a temporary nonpay status and absence from duty (including military furlough) to perform military service.

(e) *Recordkeeper* means the organization designated by the Federal Retirement Thrift Investment Board as the Thrift Savings Plan's recordkeeper.

(f) *Reemployed* or *reemployment* means reemployed in (or restored to) a position pursuant to 38 U.S.C. chapter 43, which is subject to 5 U.S.C. chapter 84 or which entitles the employee to contribute to the Thrift Savings Plan pursuant to 5 U.S.C. 8351.

(g) *Retroactive period* means the period for which an employee is entitled to make up missed Employee Contributions and to receive retroactive Agency Automatic (1%) Contributions and Agency Matching Contributions.

(1) *Beginning of retroactive period.* For an employee who was eligible to make contributions when military service began, the retroactive period begins on the date following the effective date of separation or, in the case of leave-without-pay, the date the employee enters leave-without-pay status. For an employee who was not eligible to make contributions when military service began, the retroactive period begins on the first day of the first pay period in the election period during which the employee would have been eligible to make contributions had the employee remained in Federal civilian service.

(2) *End of retroactive period.* The retroactive period ends on the earlier of the following two dates: the date before the first day of the first election period during which a contribution election could have been made effective after reemployment, or the last day of the pay period before the pay period during which routine current contributions are begun after the employee is reemployed (or restored). If an employee who was making contributions when he or she separated elects not to make routine current contributions, the ending date of the retroactive period is the last day of the pay period during which

the employee elects to terminate contributions.

(h) *Separation* or *separated* means the period an employee was separated from Federal civilian service (or entered a leave-without-pay status) in order to perform military service.

§ 1620.102 Processing contribution elections.

(a) *Current contribution elections.* Immediately upon reemployment, an employee's agency will give an eligible employee the opportunity to submit a contribution election form (Form TSP-1) to make current contributions. The effective date of the current Form TSP-1 will be the first day of the first full pay period in the most recent TSP election period. If the employee is reemployed during a TSP Open Season but before the election period, he or she can also submit an election form that will become effective the first day of the first full pay period in the following election period.

(b) *Retroactive contribution elections.* (1) An employee has the following options for making retroactive contributions:

(i) If the employee had a valid contribution election form (Form TSP-1) on file when he or she separated, that election form will be reinstated for purposes of retroactive contributions upon the employee's reemployment, unless a new contribution election form is submitted to terminate all retroactive contributions or those contributions that would have been made from the date of separation through the end of the Open Season that occurred immediately after the separation.

(ii) Instead of making the contributions for the retroactive period under the reinstated contribution election form, the employee may submit a new election form for any Open Season that occurred during the retroactive period. However, the allocation election on each Form TSP-1 for the retroactive period must be the same as the allocation election on the current Form TSP-1.

(2) An employee who terminated contributions within two months before entering military service will be eligible to make a retroactive contribution

election effective for the first Open Season that occurs after the effective date that the contributions were terminated. This election may be made even if the termination was made outside of an Open Season.

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§ 1620.103 Processing lost earnings.

(a) *Agency Automatic (1%) Contributions.* Subject to the *de minimis* rules in 5 CFR part 1606, employing agencies are required to pay lost earnings on the Agency Automatic (1%) Contributions that are made for the retroactive period.

(b) *Agency Matching Contributions.* Subject to the *de minimis* rules in 5 CFR part 1606, employing agencies are required to pay lost earnings for the agency contributions that match make-up Employee Contributions.

(c) *Make-up Employee Contributions.* Employing agencies may not pay lost earnings for make-up Employee Contributions associated with the retroactive period.

(d) *Lost earnings calculation.* Lost earnings will be calculated on all retroactive agency contributions using the rates of return for the Government Securities Investment Fund (G Fund), unless the employee submitted one or more interfund transfer requests during the period of separation. In the case of interfund transfer requests, the earnings will be calculated using the G Fund rates of return until the first interfund transfer was processed. The contribution that is subject to lost earnings will be moved to the investment fund(s) the employee requested and lost earnings will be calculated based on the earnings for that fund(s). The amount of lost earnings calculated will be posted to the investment fund(s) to which the contribution was moved. If there were no interfund transfers processed during the lost earnings calculation period, the amount of lost earnings calculated will be posted to the employee's G Fund account.

§ 1620.104 Agency payments to recordkeeper; agency ultimately chargeable.

(a) *Agency making payments to recordkeeper.* The current employing agency will always be the agency responsible for making payments to the recordkeeper for all contributions (both employee and agency) and lost earnings, regardless of whether some of that expense is ultimately chargeable to a prior employing agency.

(b) *Agency ultimately chargeable with expense.* The agency ultimately chargeable with the expense of agency contributions and lost earnings attributable to the retroactive period is ordinarily the agency that reemployed the employee. However, if an employee changed agencies during the period between the date of reemployment and October 13, 1994, the employing agency as of October 13, 1994, is the agency ultimately chargeable with the expense.

(c) *Reimbursement by agency ultimately chargeable with expense.* If the agency that made the payments to the recordkeeper for agency contributions and lost earnings is not the agency ultimately chargeable with that expense, the agency that made the payments to the recordkeeper may, but is not required to, obtain reimbursement from the agency ultimately chargeable with the expense.

§ 1620.105 Restoring forfeited Agency Automatic (1%) Contributions.

If an employee's Agency Automatic (1%) Contributions were forfeited because the employee was not vested when he or she separated to perform military service, the employee must notify the employing agency that a forfeiture occurred. Employing agencies will submit a written request to the recordkeeper to restore any Agency Automatic (1%) Contributions that were forfeited from an employee's account because he or she was not vested at the time the employee separated to perform military service.